

SECTION L
INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L.1. 52.204-6 DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER (JUNE 1999)
(Reference 4.603)

L.2. 52.215-1 INSTRUCTIONS TO OFFERORS--COMPETITIVE ACQUISITION (MAR 2001)
(Reference 15.209)

L.3. 52.219-24 SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM--TARGETS (OCT 2000)
(Reference 19.1204)

L.4. 52.222-24 PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION (FEB 1999)
(Reference 22.810)

L.5. 52.232-38 SUBMISSION OF ELECTRONIC FUNDS TRANSFER INFORMATION WITH OFFER (MAY 1999)
(Reference 32.1110)

L.6. 52.237-10 IDENTIFICATION OF UNCOMPENSATED OVERTIME (OCT 1997)
(Reference 37.115-3)

L.7. 52.211-14 NOTICE OF PRIORITY RATING FOR NATIONAL DEFENSE USE (SEP 1990)

Any contract awarded as a result of this solicitation will be /_____ DX rated order; / _____ x DO rated order certified for national defense use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the Contractor will be required to follow all of the requirements of this regulation.

(End of provision)

L.8. 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997)

(a) Exceptions from cost or pricing data. (1) In lieu of submitting cost or pricing data, offerors may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Commercial item exception. For a commercial item exception, the offeror shall submit, at a minimum, information on prices at which the same item or similar items have previously been sold in the commercial market that is adequate for evaluating the reasonableness of the price for this acquisition. Such information may include-

(A) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities;

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(B) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market;

(C) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The offeror grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this provision, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the offeror's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the offeror is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The offeror shall prepare and submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions such as letter contracts), the offeror shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

(End of provision)

L.9. 52.216-1 TYPE OF CONTRACT (APR 1984)

The Government contemplates award of a requirements contract resulting from this solicitation.

(End of provision)

L.10. 52.233-2 SERVICE OF PROTEST (AUG 1996)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the General Accounting Office (GAO), shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from: Contracting Officer, TRICARE Management Activity, Contract Management Division, 16401 East Centretech Parkway, Aurora, CO 80011-9066.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of provision)

L.11. General

a. Section L provides instructions for preparing proposals. Offerors are cautioned to follow the instructions carefully to assure the Government receives consistent information in a form that will facilitate proposal evaluation.

b. Offerors are instructed to price the sub-line items in Section B. Quantities identified by the Government are estimates based on historical data and projections of future use. Delivery orders for prior authorization and medical necessity reviews will be issued on an as required basis.

c. Proposals will be evaluated on both written and oral information submitted and presented by offerors. The Government intends to evaluate proposals and award a contract without discussions. Therefore, offerors' initial proposals should contain their best terms from a cost or price and technical standpoint.

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The Government reserves the right to conduct discussions if the Contracting Officer later determines them to be necessary.

- d. Proposals shall be clear, concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. The proposal should not simply rephrase or restate the Government's requirements, but shall provide convincing rationale to address how the offeror intends to meet the requirements. Offerors shall assume that the Government has no prior knowledge of their facilities and experience, and will base its evaluation on the information presented.
- e. Elaborate brochures or documentation, binding, detailed artwork, or other embellishments shall not be submitted. Similarly, for the oral presentation, elaborate productions are not desired. —
- f. The proposal acceptance period is specified in Block 12 of the Standard Form 33. Offerors shall make a clear statement that the proposal is valid for a minimum of 120 days.
- g. Proposals will be reviewed for completeness and compliance with the Request for Proposal (RFP). Proposals that do not include the required information or do not comply with preparation instructions may be rejected.
- h. In accordance with Federal Acquisition Regulation Subpart 4.8, Government Contract Files, the Government will retain one copy of all unsuccessful proposals. Unless the offeror requests otherwise, the Government will destroy extra copies of unsuccessful proposals.

L.12. Information

a. Point of Contact: The Contract Specialist is the point of contact for this acquisition. Address any questions or concerns you may have to her. Written requests for clarification may be electronically submitted to Ms. Figueroa at email address Angie.Figueroa@tma.osd.mil or mailed to:

Angie C. Figueroa
Contract Management Division
Contract Management Acquisition Branch (CMAQ)
TRICARE Management Activity
16401 E. Centretech Parkway
Aurora, CO 80011-9066

b. Submit the following to the address listed on the Standard Form 33 in electronic media as indicated:

- (1) CD-ROM in Microsoft Office 97 Word

two of the written portion of the technical proposal

two of the past performance information

- (2) CD-ROM in Microsoft Office 97 Excel

two of the cost proposal

NOTE: Do not use compressed file formats. Documents such as annual reports, previously printed materials, graphics or any other documents that cannot be submitted in electronic form are exempt. Two hardcopies of these materials shall be submitted.

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c. Proposals shall be marked as follows:

XYZ Corporation
MDA906-02-R-0002
TRICARE Mail Order Pharmacy

d. Pre-Proposal Conference

(1) A pre-proposal conference will be held at the TRICARE Management Activity, Aurora, CO March 13, 2002. Further details will be provided via email, upon the closing date of the solicitation, to those offerors who registered as potential offerors on the TMA contracting website (www.tricare.osd.mil/contracting/tmamenu.cfm). Offerors are encouraged to submit written questions concerning the requirements of this Request for Proposals (RFP) at least 5 working days prior to the start of the pre-proposal conference.

(2) Offerors must pre-register on the TMA contracting website (<http://www.tricare.osd.mil/contracting/tmamenu.cfm>) not later than close of business 12 March 2002. If an offeror does not pre-register by the time indicated, attendance at the pre-proposal conference will be permitted on a space available basis only. If no offerors have pre-registered by the above date, the pre-proposal conference will be cancelled. No alternate conference will be scheduled. Attendance is at the sole expense of potential offerors.

(3) The remarks, explanations, and answers provided by Government representatives before, during, and after the pre-proposal conference, whether orally or in writing, shall not change or qualify any of the terms or conditions of the RFP. The RFP can only be changed by a formal written amendment issued by the Contracting Officer.

e. The Government intends to implement a Uniform Formulary regulation that will implement a three-tiered co-pay structure consisting of generic, formulary and nonformulary categories. Until a Uniform Formulary is implemented, a two-tiered formulary will be in effect. Offeror's must be able to support a three-tiered co-pay system in their proposals.

L.13. Proposal Preparation

a. The proposal shall consist of three separate parts as follows:

Part I - Technical Proposal
Part II - Past Performance Information
Part III - Cost Proposal

Part I- the technical proposal shall be separated into two sections; Section 1- oral presentation slides and, Section 2-other written documentation required by the RFP. The primary component of the technical proposal is the oral presentation.

b. Oral Presentation Process

(1) Offerors will be scheduled for an oral presentation after the closing date for submission of written proposals. The purpose of the oral presentation is to demonstrate the offeror's understanding of the requirements of the prospective contract and their capability to meet those requirements. This presentation shall not be a marketing or sales presentation. The presentation shall address the offeror's technical solution to the requirement. The cost proposal and the past performance information shall not be addressed in this presentation.

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(2) Oral presentations will be held at the TRICARE Management Activity (TMA) in Aurora, Colorado. The presentation will be limited to 2 hours. Presentation graphics shall consist of black and white slides without animation. Color graphics shall not be presented.

(3) The Contracting Officer may ask questions of a clarifying nature during an offeror's oral presentation. Following the presentation, the Government will recess for thirty minutes and return for a one-hour question and answer session, if necessary. Offerors must be able to answer all questions posed during this session. Failure to answer a question(s) may result in a lower evaluated rating. There will be no opportunity to subsequently supplement answers with follow-on documentation.

(4) The question and answer session shall not be used to cure proposal weaknesses or material omissions, materially alter the technical or cost elements of the proposal, or otherwise revise the RFP. The session shall not provide an opportunity for offerors to revise their proposal, but may address ambiguities in the proposal or other concerns such as minor errors or mistakes.

(5) The oral presentation will not constitute discussions nor will it obligate the Government to conduct discussions or solicit any revisions to the offer.

(6) The Government may incorporate into the awarded contract those elements of an offeror's presentation that exceed the Government's minimum requirements. These elements must be specifically identified and addressed during the oral presentation.

(7) The oral presentation will be evaluated in accordance with Section M.

(8) Key company personnel, to include subcontractor personnel (if applicable) designated with direct responsibility for the areas they are presenting shall conduct the oral presentation. No outside consultants shall be used in the presentation. The presentation must clearly demonstrate an offeror's capability, organization and method of performing the operation of a mail order pharmacy. Offerors shall discuss what resources and experience they possess and how they would go about obtaining additional resources necessary to accomplish the work described in Section C of this RFP.

c. Oral Presentation Topics

Oral presentations shall address the following:

(1) Factor 1 - Management

(a) In order for an offeror to pass this evaluation factor, the offeror must submit all plans and documents required under the management factor for the written proposal portion of this RFP. Failure to submit any of the required plans and documents will result in disqualification from further participation in this procurement.

(b) Discuss in detail project management strategies and their application to the statement of work. Describe management structure, lines of authority, and coordination with the Government. The offeror shall also describe its data system operation and how it will interface with PDTS in compliance with the ICD and NCPDP version 3.2 and migration to version 5.1.

(c) Offerors shall describe policies, procedures and processes for administration of Government-provided pharmaceuticals.

(d) Discuss in detail the nature and extent of the subcontract effort for the requirement (if applicable) to include the identity of anticipated

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subcontractor(s), material, facilities, and equipment. Sufficient information shall be provided to allow adequate technical evaluation of the subcontractor's experience and capabilities. The offeror shall address their proposed subcontract management plan to include the use of small and disadvantaged businesses.

(2) Factor 2 - Technical Approach, Subfactor 1 - Operation of a Mail Order Pharmacy

Discuss in detail the technical approach and assumptions used in meeting the requirements of the statement of work. The offeror shall describe plans for marketing the program, plans for mailing or shipping prescriptions, procedures for collecting the appropriate two- or three-tiered co-pay, procedures for refunding or crediting overpayments to beneficiaries, procedures for notifying beneficiaries of denied prescriptions, for providing prior authorization services and medical necessity reviews, and plans, if applicable, for accommodating the increase in volume to the offeror's current business that would result from this prospective contract.

(3) Factor 2 - Technical Approach, Subfactor 2 - Customer Service

The offeror shall describe its customer service plan to include methods and processes for responding to telephone inquiries including call pickup time; call blockage rates; call abandonment rates; and call resolution from beneficiaries and health care providers. Offerors shall also describe methods and processes for responding to written and electronic inquiries. Offerors shall describe how customer service will be provided to domestic and overseas beneficiaries. Offerors proposals shall include the content of its proposed website.

d. Written Proposal Submission

(1) Part I - The Technical Proposal

Offerors shall tab each separate item provided in writing and include a Table of Contents to allow reviewers to easily locate specific documents. Offerors shall submit a copy of all graphics to be used in the oral presentation.

(a) Factor 1 - Management

[1] Offerors shall provide their Fraud and Abuse Detection Plan written in accordance with 32 CFR 199.9 (except for paragraph e), with the Federal Manager's Financial Integrity Act of 1982 as specified by Department of Defense Directive 5010.38 and Department of Defense Instruction 5010.40., and Federal and State laws as applicable. The plan shall include effective procedures to detect and deter fraud and abuse in the prescription and dispensing of pharmaceutical items. The plan should also address educating providers and beneficiaries relative to detecting instances of fraud and abuse. Offerors shall discuss their procedures for notifying the Government of potential cases of fraud and/or abuse.

[2] Offerors shall also submit plans describing their quality control plans and procedures. The quality control plan shall describe how the offeror ensures accuracy in dispensing prescriptions, proper pricing in accordance with the Managed Care Pricing File, and the safeguards in place to ensure products purchased under federal pricing are not dispensed to other than TRICARE eligible beneficiaries.

[3] The Disaster Recovery Plan required in Section C shall detail the offeror's plan for Continuity of Operations in the event of a loss of service that affects performance of the contract.

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[4] The appeals process plan required in Section C shall include implementation of a process to handle appeals from the denial of prescriptions due to medical necessity or a failure to meet prior authorization requirements. Offerors' proposed plans must comply with the procedural requirements of, and will incorporate, as applicable, all definitions, limitations, prerequisites, and other substantive content of 32 CFR § 199.10.

[5] The contractor shall submit a transition plan that details the offeror's plan to establish the required Information Technology (IT) link to PDTS (including completing the Certification and Accreditation and personal security clearance processes), necessary software changes, and all other critical milestones.

The Government will incorporate all written plans into the resultant contract.

(b) Factor 2 - Technical Approach, Subfactor 1 - Operation of a Mail Order Pharmacy

If an offeror does not currently have a mail order pharmacy in operation, they shall provide a written plan detailing how they will establish and have a mail order pharmacy operational by 1 October 2002.

(c) Factor 2 - Technical Approach, Subfactor 2 - Customer Service

No written information is required.

(2) Part II - Past Performance Information

(a) This section applies to offerors and their proposed first tier subcontractors. Offerors shall submit past performance information pertinent to the operation of a mail order pharmacy on their five largest and most recent accounts. If an offeror does not have five accounts they are to submit pertinent past performance information on the number of accounts they do have. The number of covered beneficiaries shall determine the five largest accounts. On the five largest accounts, offerors shall submit client completed appraisals (Attachment 5 to Section L), customer satisfaction surveys and other pertinent documentation detailing their past performance. The information provided shall identify the customer, functions performed under the cited contract, covered time period, supporting documentation for the information provided, and a point of contact (name, title, address, phone number, e-mail address). Offerors shall list all local, state, and federal Government contracts awarded for the operation of a mail order pharmacy.

(b) The Government will accept and review past performance information dating back to January 1, 1999. The Government may obtain past performance data from any other source, including other federal, state and local Government sources, as well as commercial sources. Past performance information will be used to assess an offerors' relative performance risk which shall be considered in the overall evaluation.

(c) Offerors with past contracts terminated for cause shall submit documentation detailing the reason for the termination. The documentation shall identify the name and address of the account and name and telephone number of the cognizant contracting official. If the termination for cause was the result of failure to perform the contract satisfactorily, also provide corrective action taken and the results of that action. This paragraph also applies to proposed first tier subcontractors.

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(d) Offerors who have no pertinent past performance history may submit information relating to personnel in the firm who have worked in the mail order pharmacy field. Offerors may also submit past performance information from any partner or consortium members if pertinent to the provision of mail order pharmacy services.

(3) Part III - The Cost Proposal

(a) Offerors' are required to fill in a fixed unit and extended price for each Contract Line Item Number in Schedule B, Supplies or Services and Prices/Costs.

(b) Cost or pricing data is not required as a part of the cost proposal. However, if the Contracting Officer requires additional cost information to determine a price fair and reasonable, offerors may be required to submit other than cost or pricing data, or, in extreme cases, cost or pricing data supported by a Certificate of Current Cost or Pricing Data.

(c) Offerors shall propose a fixed administrative fee for operating costs associated with processing mail order pharmacy claims, on a per claim basis, for each option period. The administrative fee shall include costs associated with processing mail order pharmacy claims in accordance with the contract requirements, including administrative and dispensing costs. It shall also include postage and/or shipping costs for dispensed prescriptions. The administrative fee shall not include prior authorization or medical necessity review costs since they are priced separately. For informational purposes, the Government has provided historical information for the top 500 pharmaceutical items, by generic code number (GCN), dispensed through the National Mail Order Pharmacy for the period 1 July through 31 December 2001, at Section J, Attachment 3. Prior historical information is not provided because implementation of the TRICARE Senior Pharmacy program on April 1, 2001, minimizes its relevance for use in estimating the current requirement.

(d) Offerors shall separately price a fixed amount for phase-in costs, to include all costs associated with implementing the program.

(e) Offerors shall separately price a fixed amount for phase-out costs, for each option period, to include all costs associated with transitioning the program at the end of the contract.

(f) Offerors shall propose separate fixed unit and extended prices based on the Government estimated quantities for the effort associated with performing prior authorization services and medical necessity reviews, for each option period. Offerors shall separately price on the basis of (1) Government specified prior authorization criteria, and (2) on the basis of the Government's acceptance, without modification, of the offeror's prior authorization criteria, as specified in the technical proposal.

L.14. Subcontracting Plan

a. Offerors designated as large businesses shall submit a subcontracting plan pursuant to Federal Acquisition Regulation (FAR) Part 19.702 and the clause 52.219-9 entitled "Small Business Subcontracting Plan". The subcontracting plan shall meet the minimum requirements set forth in FAR. The plan must be reviewed and approved by the Contracting Officer.

b. Offerors shall provide at least two of its most recent subcontracting plans and the actual results in achieving the goals that were established in those plans.